

BILL HISTORY FOR ASSEMBLY BILL 283 (LRB -1710)

An Act to amend 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.21 (4), 71.26 (2) (a), 71.34 (1) (g), 71.45 (2) (a) 10. and 77.92 (4); and to create 71.07 (3n), 71.10 (4) (gbm), 71.28 (3n), 71.30 (3) (bm), 71.47 (3n) and 71.49 (1) (bm) of the statutes; relating to: an income and franchise tax credit for expenses related to operating a dairy farm. (FE)

2003

04-23.	A.	Introduced by Representatives Ott, Gronemus, Ainsworth, Balow, Freese, Hahn, Hebl, Hines, Hubler, Hundertmark, Krawczyk, F. Lasee, Lassa, LeMahieu, Loeffelholz, McCormick, Musser, Olsen, Owens, Petrowski, Steinbrink, Towns, Turner, Van Roy, Vruwink, M. Williams and J. Wood; cosponsored by Senators Schultz, Decker, S. Fitzgerald, Hansen, Harsdorf, Kanavas, A. Lasee, Roessler, Stepp and Welch.	
04-23.	A.	Read first time and referred to committee on Agriculture	163
04-24.	A.	Fiscal estimate received.	
05-15.	A.	Public hearing held.	
05-15.	A.	Executive action taken.	
05-20.	A.	Report passage recommended by committee on Agriculture, Ayes 13, Noes 0	210
05-20.	A.	Referred to committee on Rules	210
10-21.	A.	Rules suspended to withdraw from committee on Rules and refer to joint committee on Finance	440
11-05.	A.	Rules suspended to withdraw from joint committee on Finance and place on calendar of 11-12-2003	511
11-06.	A.	Assembly amendment 1 offered by Representative Ott (LRB a1464)	515
11-12.	A.	Representative Molepske added as a coauthor	526
11-12.	A.	Read a second time	526
11-12.	A.	Assembly amendment 1 adopted	526
11-12.	A.	Assembly amendment 2 offered by Representatives Ott and Towns (LRB a1790)	526
11-12.	A.	Assembly amendment 2 adopted	526
11-12.	A.	Assembly amendment 3 offered by Representatives Ott and Towns (LRB a1805)	526
11-12.	A.	Assembly amendment 3 adopted	526
11-12.	A.	Ordered to a third reading	526
11-12.	A.	Rules suspended	526
11-12.	A.	Read a third time and passed , Ayes 96, Noes 0	526
11-12.	A.	Ordered immediately messaged	526
11-13.	S.	Received from Assembly	483
11-13.	S.	Read first time and referred to committee on Agriculture, Financial Institutions and Insurance	484
12-02.	S.	Public hearing held.	
12-02.	S.	Executive action taken.	
12-10.	S.	Report introduction and adoption of Senate Amendment 1 recommended by committee on Agriculture, Financial Institutions and Insurance, Ayes 5, Noes 0 (LRB a1813)	509
12-10.	S.	Report concurrence as amended recommended by committee on Agriculture, Financial Institutions and Insurance, Ayes 5, Noes 0	509
12-10.	S.	Available for scheduling.	

2004

02-03.	S.	Senator Brown added as a cosponsor	591
02-03.	S.	Placed on calendar 2-4-2004 by committee on Senate Organization.	
02-04.	S.	Senator Darling added as a cosponsor	599
02-04.	S.	Senator Kedzie added as a cosponsor	599
02-04.	S.	Senator Panzer added as a cosponsor	599
02-04.	S.	Senator Zien added as a cosponsor	599
02-04.	S.	Senator Wirch added as a cosponsor	599
02-04.	S.	Considered for action at this time	599
02-04.	S.	Read a second time	600
02-04.	S.	Senate amendment 1 adopted	600
02-04.	S.	Ordered to a third reading	600
02-04.	S.	Senator Leibham added as a cosponsor	600
02-04.	S.	Rules suspended	600
02-04.	S.	Read a third time and concurred in as amended, Ayes 33, Noes 0	600
02-04.	S.	Ordered immediately messaged	601
02-05.	A.	Received from Senate amended and concurred in as amended (Senate amendment 1 adopted)	679
02-05.	A.	Senate amendment 1 concurred in	680
02-05.	A.	Action ordered immediately messaged	680

2003
ENROLLED BILL

03en A-B-283

ADOPTED DOCUMENTS:

☒ Orig ☐ Engr SubAmdt

03-171012

Amendments to above (if none, write "NONE"):

AA1, AA2, AA3 ✓
SA1 ✓

Corrections - show date (if none, write "NONE"):

None ✓

Topic

relate an income and franchise tax
credit for expenses related to operating a dairy farm

2/6/04
Date

[Signature]
Enrolling Drafter

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2003 ASSEMBLY BILL 283

April 23, 2003 – Introduced by Representatives OTT, GRONEMUS, AINSWORTH, BALOW, FREESE, HAHN, HEBL, HINES, HUBLER, HUNDERTMARK, KRAWCZYK, F. LASEE, LASSA, LEMAHIEU, LOEFFELHOLZ, MCCORMICK, MUSSEY, OLSEN, OWENS, PETROWSKI, STEINBRINK, TOWNS, TURNER, VAN ROY, VRUWINK, M. WILLIAMS and J. WOOD, cosponsored by Senators SCHULTZ, DECKER, S. FITZGERALD, HANSEN, HARSDORF, KANAVAS, A. LASEE, ROESSLER, STEPP and WELCH. Referred to Committee on Agriculture.

1 **AN ACT to amend** 71.05 (6) (a) 15., 71.08 (1) (intro.), 71.21 (4), 71.26 (2) (a), 71.34
2 (1) (g), 71.45 (2) (a) 10. and 77.92 (4); and **to create** 71.07 (3n), 71.10 (4) (gbm),
3 71.28 (3n), 71.30 (3) (bm), 71.47 (3n) and 71.49 (1) (bm) of the statutes; **relating**
4 **to:** an income and franchise tax credit for expenses related to operating a dairy
5 farm.

Analysis by the Legislative Reference Bureau

This bill creates an income tax and franchise tax credit for taxpayers who pay certain expenses related to operating a dairy farm. The credit is equal to 10% of the amount the taxpayer paid in the taxable year for dairy farm modernization or expansion. "Dairy farm modernization or expansion" means, generally, the construction, the improvement, or the acquisition of buildings or facilities, or the acquisition of equipment, for dairy animal housing, confinement, animal feeding, milk production, and waste management. The credit applies to taxable years that begin after December 31, 2003, and end before January 1, 2010. The aggregate amount of credits that a taxpayer may claim is \$50,000. If the amount of the credit claimed by the taxpayer exceeds the taxpayer's tax liability, the taxpayer will not receive a refund but, instead, may carry forward the amount of the unused credit to subsequent taxable years.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2-9 AA3

SECTION 1. 71.05 (6) (a) 15. of the statutes is amended to read:

71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3n), and (3s) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g).

SECTION 2. 71.07 (3n) of the statutes is created to read:

71.07 (3n) DAIRY INVESTMENT CREDIT. (a) In this subsection:

1. "Claimant" means a person who files a claim under this subsection.

2. "Dairy farm modernization or expansion" means the construction, the improvement, or the acquisition of buildings or facilities, or the acquisition of equipment, for dairy animal housing, confinement, animal feeding, milk production, and waste management, including the following, if related to dairy animals:

a. Freestall barns.

b. Fences.

c. Watering facilities.

d. Feed storage and handling equipment.

e. Milking parlors.

f. Robotic equipment.

g. Scales.

h. Milk storage and cooling facilities.

used exclusively
AA1

2-10 SFA1

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1 i. Bulk tanks.

2 j. Manure pumping and storage facilities.

3 k. Digesters.

4 L. Equipment used to produce energy.

5 (b) Subject to the limitations provided in this subsection, for taxable years that
6 begin after December 31, 2003, and ~~end~~ before January 1, 2010, a claimant may
7 claim as a credit against the tax imposed under ~~s. 71.02~~ an amount equal to 10% of
8 the amount the claimant paid in the taxable year for dairy farm modernization or
9 expansion related to the operation of the claimant's dairy farm.

10 (c) No credit may be allowed under this subsection for any amount that the
11 claimant paid for expenses described under par. (b) that the claimant also claimed
12 as a deduction under section 162 of the Internal Revenue Code.

13 (d) The aggregate amount of credits that a claimant may claim under this
14 subsection is \$50,000.

15 (e) Partnerships, limited liability companies, and tax-option corporations may
16 not claim the credit under this subsection, but the eligibility for, and the amount of,
17 the credit are based on their payment of expenses under par. (b). A partnership,
18 limited liability company, or tax-option corporation shall compute the amount of
19 credit that each of its partners, members, or shareholders may claim and shall
20 provide that information to each of them. Partners, members of limited liability
21 companies, and shareholders of tax-option corporations may claim the credit in
22 proportion to their ownership interest.

23 (f) Section 71.28 (4) (e), (f), (g), and (h), as it applies to the credit under s. 71.28
24 (4), applies to the credit under this subsection.

25 **SECTION 3.** 71.08 (1) (intro.) of the statutes is amended to read:

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SECTION 3

1 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
2 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
3 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3n), (3s),
4 (6), (6s) and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and,
5 (3), and (3n), and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and,
6 (3), and (3n), and subchs. VIII and IX and payments to other states under s. 71.07
7 (7), is less than the tax under this section, there is imposed on that natural person,
8 married couple filing jointly, trust, or estate, instead of the tax under s. 71.02, an
9 alternative minimum tax computed as follows:

10 **SECTION 4.** 71.10 (4) (gbm) of the statutes is created to read:

11 71.10 (4) (gbm) Dairy investment credit under s. 71.07 (3n).

12 **SECTION 5.** 71.21 (4) of the statutes is amended to read:

13 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),
14 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3n), and (3s) and passed through to partners
15 shall be added to the partnership's income.

16 **SECTION 6.** 71.26 (2) (a) of the statutes is amended to read:

17 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means
18 the gross income as computed under the Internal Revenue Code as modified under
19 sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
20 computed under s. 71.28 (1), (3), (4), and (5), plus the amount of the credit computed
21 under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), and (3g), and (3n)
22 and not passed through by a partnership, limited liability company, or tax-option
23 corporation that has added that amount to the partnership's, limited liability
24 company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1) (g) plus
25 the amount of losses from the sale or other disposition of assets the gain from which

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1 would be wholly exempt income, as defined in sub. (3) (L), if the assets were sold or
2 otherwise disposed of at a gain and minus deductions, as computed under the
3 Internal Revenue Code as modified under sub. (3), plus or minus, as appropriate, an
4 amount equal to the difference between the federal basis and Wisconsin basis of any
5 asset sold, exchanged, abandoned, or otherwise disposed of in a taxable transaction
6 during the taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

7
8 **SECTION 7.** 71.28 (3n) of the statutes is created to read:

9 **71.28 (3n) DAIRY INVESTMENT CREDIT.** (a) In this subsection:

10 1. "Claimant" means a person who files a claim under this subsection.

11 2. "Dairy farm modernization or expansion" means the construction, the
12 improvement, or the acquisition of buildings or facilities, or acquiring equipment, for
13 dairy animal housing, confinement, animal feeding, milk production, and waste
14 management, including the following, if related to dairy animals:

15 a. Freestall barns.

16 b. Fences.

17 c. Watering facilities.

18 d. Feed storage and handling equipment.

19 e. Milking parlors.

20 f. Robotic equipment.

21 g. Scales.

22 h. Milk storage and cooling facilities.

23 i. Bulk tanks.

24 j. Manure pumping and storage facilities.

25 k. Digesters.

l. Equipment used to produce energy.

used exclusively by
AA1

ASSEMBLY BILL 283**SECTION 7**

1 (b) Subject to the limitations provided in this subsection, for taxable years that
2 begin after December 31, 2003, and ~~end~~^{AA1} before January 1, 2010, a claimant may
3 claim as a credit against the tax imposed under s. 71.23 an amount equal to 10% of
4 the amount the claimant paid in the taxable year for dairy farm modernization or
5 expansion related to the operation of the claimant's dairy farm.

6 (c) No credit may be allowed under this subsection for any amount that the
7 claimant paid for expenses described under par. (b) that the claimant also claimed
8 as a deduction under section 162 of the Internal Revenue Code.

9 (d) The aggregate amount of credits that a claimant may claim under this
10 subsection is \$50,000.

11 (e) Partnerships, limited liability companies, and tax-option corporations may
12 not claim the credit under this subsection, but the eligibility for, and the amount of,
13 the credit are based on their payment of expenses under par. (b). A partnership,
14 limited liability company, or tax-option corporation shall compute the amount of
15 credit that each of its partners, members, or shareholders may claim and shall
16 provide that information to each of them. Partners, members of limited liability
17 companies, and shareholders of tax-option corporations may claim the credit in
18 proportion to their ownership interest.

19 (f) Subsection (4) (e), (f), (g), and (h), as it applies to the credit under sub. (4),
20 applies to the credit under this subsection.

21 **SECTION 8.** 71.30 (3) (bm) of the statutes is created to read:

22 71.30 (3) (bm) Dairy investment credit under s. 71.28 (3n).

23 **SECTION 9.** 71.34 (1) (g) of the statutes is amended to read:

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1 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
2 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), and
3 (3g), and (3n) and passed through to shareholders.

4 SECTION 10. 71.45 (2) (a) 10. of the statutes is amended to read:

5 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit
6 computed under s. 71.47 (1dd) to (1dx) and (3n) and not passed through by a
7 partnership, limited liability company, or tax-option corporation that has added that
8 amount to the partnership's, limited liability company's, or tax-option corporation's
9 income under s. 71.21 (4) or 71.34 (1) (g) and the amount of credit computed under
10 s. 71.47 (1), (3), (4), and (5). 7-13 AA3

11 SECTION 11. 71.47 (3n) of the statutes is created to read:

12 71.47 (3n) DAIRY INVESTMENT CREDIT. (a) In this subsection:

13 1. "Claimant" means a person who files a claim under this subsection.

7-14 14 2. "Dairy farm modernization or expansion" means the construction, the
5A 15 improvement, or the acquisition of buildings or facilities, or the acquisition of
16 equipment, for dairy animal housing, confinement, animal feeding, milk production,
17 and waste management, including the following, if related to dairy animals:

AA 18 a. Freestall barns.

19 b. Fences.

20 c. Watering facilities.

21 d. Feed storage and handling equipment.

22 e. Milking parlors.

23 f. Robotic equipment.

24 g. Scales.

25 h. Milk storage and cooling facilities.

used exclusively
AA1

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SECTION 11

1 i. Bulk tanks.

2 j. Manure pumping and storage facilities.

3 k. Digesters.

4 L. Equipment used to produce energy.

5 (b) Subject to the limitations provided in this subsection, for taxable years that
6 begin after December 31, 2003, and ~~end~~^{AA} before January 1, 2010, a claimant may
7 claim as a credit against the tax imposed under s. 71.43 an amount equal to 10% of
8 the amount the claimant paid in the taxable year for dairy farm modernization or
9 expansion related to the operation of the claimant's dairy farm.

10 (c) No credit may be allowed under this subsection for any amount that the
11 claimant paid for expenses described under par. (b) that the claimant also claimed
12 as a deduction under section 162 of the Internal Revenue Code.

13 (d) The aggregate amount of credits that a claimant may claim under this
14 subsection is \$50,000.

15 (e) Partnerships, limited liability companies, and tax-option corporations may
16 not claim the credit under this subsection, but the eligibility for, and the amount of,
17 the credit are based on their payment of expenses under par. (b). A partnership,
18 limited liability company, or tax-option corporation shall compute the amount of
19 credit that each of its partners, members, or shareholders may claim and shall
20 provide that information to each of them. Partners, members of limited liability
21 companies, and shareholders of tax-option corporations may claim the credit in
22 proportion to their ownership interest.

23 (f) Section 71.28 (4) (e), (f), (g), and (h), as it applies to the credit under s. 71.28
24 (4), applies to the credit under this subsection.

25 **SECTION 12.** 71.49 (1) (bm) of the statutes is created to read:

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1 71.49 (1) (bm) Dairy investment credit under 71.47 (3n).

2 **SECTION 13.** 77.92 (4) of the statutes is amended to read:

3 77.92 (4) “Net business income^{2,3}” with respect to a partnership, means taxable
4 income as calculated under section 703 of the Internal Revenue Code; plus the items
5 of income and gain under section 702 of the Internal Revenue Code, including taxable
6 state and municipal bond interest and excluding nontaxable interest income or
7 dividend income from federal government obligations; minus the items of loss and
8 deduction under section 702 of the Internal Revenue Code, except items that are not
9 deductible under s. 71.21; plus guaranteed payments to partners under section 707
10 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
11 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), and (3g), (3n), and (3s); and plus or minus,
12 as appropriate, transitional adjustments, depreciation differences, and basis
13 differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain,
14 loss, and deductions from farming. “Net business income^{2,3}” with respect to a natural
15 person, estate, or trust, means profit from a trade or business for federal income tax
16 purposes and includes net income derived as an employee as defined in section 3121
17 (d) (3) of the Internal Revenue Code.

18 (END)

**ASSEMBLY AMENDMENT 1,
TO 2003 ASSEMBLY BILL 283**

November 6, 2003 – Offered by Representative OTT.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 13: after “if” insert “used exclusively”.

3 **2.** Page 3, line 6: delete “end”.

4 **3.** Page 3, line 7: delete “s. 71.02” and substitute “ss. 71.02 and 71.08”.

5 **4.** Page 5, line 13: after “if” insert “used exclusively”.

6 **5.** Page 6, line 2: delete “end”.

7 **6.** Page 7, line 17: after “if” insert “used exclusively”.

8 **7.** Page 8, line 6: delete "end".

9 (END)

**ASSEMBLY AMENDMENT 2,
TO 2003 ASSEMBLY BILL 283**

November 12, 2003 – Offered by Representatives OTT and TOWNS.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 13: delete “and” and substitute “or”.

3 **2.** Page 5, line 12: delete “and” and substitute “or”.

4 **3.** Page 7, line 17: delete “and” and substitute “or”.

5 (END)

**ASSEMBLY AMENDMENT 3,
TO 2003 ASSEMBLY BILL 283**

November 12, 2003 – Offered by Representatives OTT and TOWNS.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 9: after that line insert:

3 "1m. "Dairy animals" includes heifers raised as replacement dairy animals."

2-9
4 **2.** Page 2, line 13: delete "and" and substitute "or".

5 **3.** Page 5, line 9: after that line insert:

6 "1m. "Dairy animals" includes heifers raised as replacement dairy animals."

5-9
7 **4.** Page 5, line 12: delete "and" and substitute "or".

8 **5.** Page 7, line 13: after that line insert:

9 "1m. "Dairy animals" includes heifers raised as replacement dairy animals."

7-13
10 **6.** Page 7, line 17: delete "and" and substitute "or".

11 (END)

**SENATE AMENDMENT 1,
TO 2003 ASSEMBLY BILL 283**

December 10, 2003 - Offered by COMMITTEE ON AGRICULTURE, FINANCIAL
INSTITUTIONS AND INSURANCE.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 10: before that line insert:

3 "1p. "Dairy farm" includes a facility used to raise heifers as replacement dairy
2-10 animals."

5 **2.** Page 5, line 10: before that line insert:

6 "1p. "Dairy farm" includes a facility used to raise heifers as replacement dairy
5-10 animals."

8 **3.** Page 7, line 14: before that line insert:

9 "1p. "Dairy farm" includes a facility used to raise heifers as replacement dairy
7-14 animals."

(END)